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RECORDATION NO. **27140** FILED

September 26, 2007

SEP 26 07 12 00 PM

SURFACE TRANSPORTATION BOARD

**Mr. Vernon A. Williams
Secretary
Surface Transportation Board
Washington, D.C. 20423**

Dear Mr. Williams:

Enclosed for recordation pursuant to the provisions of 49 U.S.C. Section 11301(a) are two (2) copies of a Memorandum of Lease of Railroad Equipment No. 4, dated as of September 1, 2007, a primary document as defined in the Board's Rules for the Recordation of Documents.

The names and addresses of the parties to the enclosed document are:

**Lessor: HSBC Bank Canada
885 West Georgia Street
Vancouver, British Columbia
Canada V6C 3E9**

**Lessee: Canadian National Railway Company
935 de la Gauchetiere Street West
Montreal, Quebec
Canada H3B 2M9**

**Mr. Vernon A. Williams
September 26, 2007
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**A description of the railroad equipment covered by the enclosed document
is:**

22 SD70M-2 diesel-electric locomotives: CN 8800 - CN 8821.

A short summary of the document to appear in the index is:

Memorandum of Lease of Railroad Equipment No.4.

**Also enclosed is a check in the amount of \$35.00 payable to the order of
the Surface Transportation Board covering the required recordation fee.**

**Kindly return stamped copies of the enclosed document to the
undersigned.**

Very truly yours,

A handwritten signature in black ink, appearing to read "Alvord", with a long horizontal flourish extending to the right.

Robert W. Alvord

**RWA/sem
Enclosures**

SEP 26 '07

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(CN / HSBC No. 4)

SURFACE TRANSPORTATION BOARD

**MEMORANDUM OF LEASE OF RAILROAD EQUIPMENT
NO. 4** dated as of September 1, 2007 between **CANADIAN
NATIONAL RAILWAY COMPANY**, a corporation continued
under the laws of Canada (hereinafter called the Lessee), and
HSBC BANK CANADA, a Canadian chartered bank (hereinafter
called the Lessor).

WHEREAS, the Lessee and the Lessor are entering into that certain Lease of Railroad Equipment No. 4 dated as of the date hereof (hereinafter the Lease) covering twenty-two (22) SD70M-2 locomotives, all as more particularly described on Schedule A hereto, and all additions thereto, alterations thereof, replacements thereof and substitutions therefor (hereinafter the Locomotives);

WHEREAS, the terms and conditions of the Lease are incorporated by reference in this Memorandum as if fully set forth herein;

AND WHEREAS, this Memorandum has been entered into for the purpose of satisfying the requirements for i) recordation with the Surface Transportation Board of the United States of America under Section 11301 of Title 49 of the *United States Code* and ii) deposit with the Registrar General of Canada under Section 105 of the *Canada Transportation Act*.

IN WITNESS WHEREOF, the parties wish to show for the public record, among other things, the ownership of the Locomotives by the Lessor, the leasehold interest therein of the Lessee and the rights of the Lessee from time to time to purchase the Locomotives or to renew the Lease and, accordingly have caused this Memorandum to be executed by their officers thereunto duly authorized, as of the day and year first above written.

CANADIAN NATIONAL RAILWAY COMPANY

By: 
Its: Sr. Manager, Asset Finance

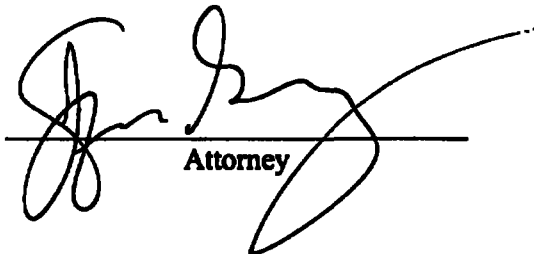
HSBC BANK CANADA

By: 
Its: Asst. Vice-President

By: 
Its: Sr. Account Manager

PROVINCE OF QUEBEC)
)
DISTRICT OF MONTREAL) ss.:

On this 21st day of September, 2007, before me personally appeared John A.N. Lamont, to me personally known, who, being by me duly sworn, says that he is Sr. Manager, Asset Finance of CANADIAN NATIONAL RAILWAY COMPANY, that the instrument was signed on behalf of said company by authority of its board of directors, and he acknowledged that the execution of the foregoing instrument was the free act and deed of said company.



Attorney

Bar Number: 188726-2

PROVINCE OF QUEBEC)
)
DISTRICT OF MONTREAL) ss.:

On this 25 day of September, 2007, before me personally appeared DANIEL PERON, to me personally known, who, being by me duly sworn, says that he / she is ASSIST. VICE-PRESIDENT of HSBC BANK CANADA, that the instrument was signed on behalf of said bank by authority of its board of directors, and he / she acknowledged that the execution of the foregoing instrument was the free act and deed of said bank.



Commissioner for Oaths



My commission expires: 07.13.2010

SCHEDULE A

Equipment Description

- 22 SD70M-2 4,000 h.p. DC diesel-electric locomotives built by Electro-Motive Canada Co. in 2007 bearing the following marks and numbers:**

CN 8800 to CN 8821 inclusive.